

**TOWNSHIP OF BUTMAN
GLADWIN COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006**

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name BUTMAN TOWNSHIP	County GLADWIN
Fiscal Year End JUNE 30, 2006	Opinion Date SEPTEMBER 12, 2006	Date Audit Report Submitted to State OCTOBER 16, 2006	

We affirm that:


We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - ☒ ☐ The local unit has adopted a budget for all required funds.
 - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
 - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
 - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - ☒ ☐ The local unit is free of repeated comments from previous years.
 - ☒ ☐ The audit opinion is UNQUALIFIED.
 - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
 - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	NONE	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) KESKINE, COOK, MILLER & ALEXANDER LLP		Telephone Number 989-732-7515	
Street Address 100 W FIRST ST		City GAYLORD	State Zip MI 49734
Authorizing CPA Signature 		Printed Name WALTER J KESKINE	License Number 1101008795

Township Officials

Supervisor

Shirley Kyle

Clerk

Don Joyce

Treasurer

Susie Ruppert

Trustee

Linda Haight

Trustee

John Wolski

Table of Contents

	Page
Independent Auditor's Report	1
Management's Discussion and Analysis	2 - 6
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Assets	7
Statement of Activities	8
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	9
Reconciliation of the Balance Sheet to the Statement of Net Assets	10
Statement of Revenues, Expenditures and Changes in Fund Balance	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	12
Proprietary Fund	
Statement of Fund Net Assets	13
Statement of Changes in Fund Net Assets	14
Statement of Cash Flows	15
Fiduciary Fund	
Statement of Fiduciary Assets and Liabilities	16
Notes to Financial Statements	17 - 27
Required Supplemental Information	
Budgetary Comparison Schedule – General Fund	28 - 30
Budgetary Comparison Schedule – Fire Fund	31
Budgetary Comparison Schedule – Garbage Fund	32
Budgetary Comparison Schedule – Roads Fund	33



Keskin, Cook, Miller & Alexander LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Walter J. Keskin, C.P.A.
Jeffrey B. Cook, C.P.A.
Richard W. Miller, C.P.A.
Ronald D. Alexander, C.P.A.
Curt A. Reppuhn, C.P.A.

INDEPENDENT AUDITOR'S REPORT

September 12, 2006

To the Township Board
Butman Township
Gladwin County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Butman, as of and for the year ended June 30, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Butman as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2-6 and budgetary comparison information on pages 28-33 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.


KESKINE, COOK, MILLER & ALEXANDER, LLP



Butman Township

5005 N. Hockaday Road
Gladwin, Michigan 48624

Township Board Meetings
Held Monthly on the
Second Thursday, 7:00 p.m.

Telephone: 989-426-4351 • Clerk's Office: Extension 25 • Treasurer's Office: Extension 26 • Sewer Billing: Extension 27
Website: www.butmantownship.com • Email: butman@ejourney.com

TOWNSHIP OF BUTMAN MANAGEMENT'S DISCUSSION & ANALYSIS YEAR ENDED JUNE 30, 2006

This section of Butman Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended June 30, 2006. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Governmental Activities:

Our financial status decreased over the last year. Assets at June 30, 2006 totaled approximately \$1,240,000. Of this total, approximately \$900,000 represents capital assets net of depreciation.

Revenues derived from governmental activities were approximately \$764,000 (approximately \$43,000 from program revenues and \$721,000 from general revenues). The Township's major source of governmental revenues is derived from property taxes and state shared revenues (approximately \$521,000 and \$133,000 respectively for the year ended June 30, 2006). Total revenues increased approximately \$10,000 or 1.3% from the year ended June 30, 2005. Overall expenses for the Township's governmental activities approximated \$905,000 which is an increase of approximately \$420,000 over the year ended June 30, 2005. The large increase in expenditures is due to significant road projects conducted during the year ended June 30, 2006 that totaled approximately \$397,000 as compared to \$53,000 in the year ended June 30, 2005 and approximately \$145,000 in capital asset additions as compared to \$21,000 in the year ended June 30, 2005.

The Township incurred a new debt instrument during the year to finance an addition to the Township Hall and retired two capital lease obligations. Long-term debt and capital asset activity is addressed further in a subsequent section of this letter.

Business-type Activities:

The financial status of the Township's single business-type activity – the sewer fund – improved over the prior year.

Total assets as of June 30, 2006 were approximately \$1,433,000, of which approximately \$1,101,000 represents capital assets. Total assets increased by approximately \$158,000 over the prior year. The entire increase is made up of increased cash due to a net income in the current year and the addition of capital assets.

Revenue totaled approximately \$574,000 for the year ended June 30, 2006 which represents an increase of approximately \$66,000 or 13%. The increase is attributable largely to a \$10,000 increase in user fees and a \$48,000 increase in capacity permit fees due to new residential development in the Township.

Expenses totaled approximately \$442,000 for the year ended June 30, 2006 which represents an increase of approximately \$20,000 or 5% over the prior year.

The following table shows in condensed format, the net assets of both the governmental-type and business-type activities of the Township as of June 30, 2006.

	Governmental Activities		Business-type Activities	
	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Assets				
Current assets	\$ 344,000	\$ 532,000	\$ 331,000	\$ 220,000
Noncurrent assets	899,000	610,000	1,101,000	1,055,000
Total assets	<u>1,243,000</u>	<u>1,142,000</u>	<u>1,432,000</u>	<u>1,275,000</u>
Liabilities				
Current liabilities	70,000	48,000	40,000	14,000
Noncurrent liabilities	444,000	447,000	-	-
Total liabilities	<u>514,000</u>	<u>495,000</u>	<u>40,000</u>	<u>14,000</u>
Net Assets				
Invested in capital assets - net of related debt	406,000	115,000	1,101,000	1,055,000
Unrestricted	324,000	532,000	291,000	206,000
Total net assets	<u>\$ 730,000</u>	<u>\$ 647,000</u>	<u>\$ 1,392,000</u>	<u>\$ 1,261,000</u>

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status. These statements present governmental activities and business type activities.

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the Township as a whole using accounting methods used by private companies. The statement of net assets includes all of the Township's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Township's assets and liabilities. This is one method to measure our financial health or position.

Over time, increases or decreases in the Township's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the Township, you may also have to consider additional factors such as tax base changes, facility conditions, and personnel changes.

Most of the activities of the Township are reported as governmental activities. These would include the operations recorded in the General, Fire, Garbage and Roads Funds. Sewer utility activities are treated as business-type activities where the revenues of the activity are designed to pay for the operations of the activity.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds, not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The Township has the following types of funds:

Governmental Funds: Most of the Township's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's government-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them.

Enterprise Funds: These funds represent activities in the government which are basically treated like private sector companies. These funds are designed to have revenues earned adequate to pay for the operations of the activity. These funds are presented on a full accrual method and will show no difference between the Township's government-wide statements and fund statements presentation.

Fiduciary Funds: The Township is a trustee or fiduciary for assets that belong to others. The Township maintains these funds and is responsible for insuring that the assets of these activities are collected and disbursed to the respective entities to which the funds belong. These activities do not appear in the Township's government-wide financial statements since the assets do not belong to the Township. The Township maintains a Tax Collection Fund in this category.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

General Fund – This fund is used to record all activities of the Township not required to be recorded in a separate fund. The major source of revenue for the general fund is from the Township tax base, and revenue sharing from the State of Michigan. The major expenses for this fiscal year include the general operating activities of the Township.

Fire Fund – This fund is used to account for the financial activities of the fire department. Revenues are derived primarily from property taxes collected for fire protection services.

Garbage Fund – This fund is used to account for all financial transactions related to the Garbage Collection service provided by the Township. Revenues are derived from property tax assessments.

Roads Fund – This fund is used to account for financial transactions related to the repair and maintenance of the Township's roads. Revenues consist mainly of special assessment property taxes and contributions from the general fund.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets:

Additions to Township assets for this year include the following:

Governmental Activities:

- Township Hall Addition – approximately \$76,000
- Vehicle repairs – approximately \$21,000
- Various equipment / furniture – approximately \$49,000

Business-type Activities:

- Garage door – approximately \$3,000
- Equipment and fixtures – approximately \$13,000
- Utility plant – approximately \$101,000

Long Term Debt:

- ◆ Fire Fund Notes – the Township retired 43,000 in principal payments on three notes for fire vehicles, equipment, and building. These notes were refinanced in the year ended June 30, 2005 reducing the interest rate on each note.
- ◆ Capital Leases – the Township retired approximately 7,200 in principal payments related to its capital leases for administrative equipment. All capital leases have been paid-off.
- ◆ Township entered into a new installment purchase contract note for a Township Hall addition. The total addition cost approximately \$76,000 and a installment purchase contract was taken for \$50,000. During the year, \$589 in principal payments was made on this new note.
- ◆ Total interest expense on the above notes amounted to approximately \$17,000 during the year ended June 30, 2004.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

None.

CONTACTING TOWNSHIP MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors, and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report, please contact Ms. Shirley Kyle, Supervisor, at 5005 N. Hockaday Rd, Gladwin, MI 48624, or by calling (989) 426-4351.



Shirley Kyle, Township Supervisor

**TOWNSHIP OF BUTMAN
STATEMENT OF NET ASSETS
JUNE 30, 2006**

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash	\$ 324,647	\$ 317,421	\$ 642,068
Receivables	19,857	13,965	33,822
Capital assets not being depreciated	223,898	229,428	453,326
Capital assets being depreciated	674,996	871,976	1,546,972
Total assets	1,243,398	1,432,790	2,676,188
Liabilities			
Accounts payable	21,103	29,886	50,989
Accrued liabilities	202	10,580	10,782
Long-term debt			
Due in less than one year	48,482	-	48,482
Due in more than one year	443,929	-	443,929
Total liabilities	513,716	40,466	554,182
Net Assets			
Invested in capital assets, net of related debt	406,483	1,101,404	1,507,887
Restricted for:			
Fire protection	58,566	-	58,566
Garbage	99,884	-	99,884
Roads	67,593	-	67,593
Sewer	-	290,920	290,920
Unrestricted	97,156	-	97,156
Total net assets	\$ 729,682	\$ 1,392,324	\$ 2,122,006

See accompanying notes to financial statements.

**TOWNSHIP OF BUTMAN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2006**

Functions / Programs	<u>P r o g r a m R e v e n u e s</u>				<u>Net Revenue / (Expense) and Changes in Net Assets</u>	
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business- Type Activities
Primary Government:						
Governmental Activities						
General government	\$ 196,651	\$ 21,087	\$ -	\$ -	\$ (175,564)	\$ -
Public safety	110,618	-	13,149	-	(97,469)	-
Public works	578,171	-	-	-	(578,171)	-
Recreation & Culture charges for ser	3,219	9,367	-	-	6,148	-
Interest on long-term debt	16,642	-	-	-	(16,642)	-
Total governmental activities	905,301	30,454	13,149	-	(861,698)	-
Business-type Activities						
Sewer Utility Services	442,321	566,795	-	-	-	124,474
Interest on Long-Term Debt	28	-	-	-	-	(28)
Total Business-Type Activities	442,349	566,795	-	-	-	124,446
Total Government	1,347,650	597,249	13,149	-	(861,698)	124,446
General revenues						
Property taxes and assessments					521,023	-
State shared revenue (not restricted to specific purpose)					133,170	-
Property tax administration fee					34,423	-
Interest					20,057	7,125
Other					12,206	-
Total general revenues					720,879	1,893
Change in Net Assets					(140,819)	131,571
Net Assets - Beginning of Year					870,501	1,260,753
Net Assets - End of Year					\$ 729,682	\$ 1,392,324

See accompanying notes to financial statements.

TOWNSHIP OF BUTMAN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

	General	Fire	Garbage	Roads	Total
Assets					
Cash	\$ 119,328	\$ 28,265	\$ 110,961	\$ 66,093	\$ 324,647
Receivables	19,857	-	-	-	19,857
Total assets	139,185	28,265	110,961	66,093	344,504
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	4,254	4,572	12,277	-	21,103
Accrued liabilities	202	-	-	-	202
Total liabilities	4,456	4,572	12,277	-	21,305
Fund Balance:					
Reserved for:					
Fire protection	-	23,693	-	-	23,693
Garbage services	-	-	98,684	-	98,684
Roads	-	-	-	66,093	66,093
Fund balance - undesignated and unreserved	134,729	-	-	-	134,729
Total fund balance	134,729	23,693	98,684	66,093	323,199
Total liabilities and fund balance	\$ 139,185	\$ 28,265	\$ 110,961	\$ 66,093	\$ 344,504

See accompanying notes to financial statements.

**TOWNSHIP OF BUTMAN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2006**

Total Fund Balance - Governmental Activities (per Balance Sheet - Page 9)	\$	323,199
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore not recorded in the funds		898,894
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Long-term liabilities, including notes payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds		(492,411)
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Total Net Assets - Governmental Activities (per Statement of Net Assets - Page 7)	\$	729,682
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See accompanying notes to financial statements.

TOWNSHIP OF BUTMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2006

	General	Fire	Garbage	Roads	Total
Revenue					
Taxes and assessments	\$ 150,990	\$ 110,301	\$ 165,998	\$ 128,157	\$ 555,446
State-shared revenue	137,874	-	-	-	137,874
Charges for services	20,292	-	-	-	20,292
Interest	8,456	2,446	3,144	6,010	20,056
Other revenue	19,030	14,984	599	-	34,613
Total revenues	336,642	127,731	169,741	134,167	768,281
Expenditures					
Current:					
General government	177,790	-	-	-	177,790
Public safety	-	53,511	-	-	53,511
Public works	37,394	-	146,323	397,154	580,871
Recreation and culture	3,719	-	-	-	3,719
Capital outlay	96,764	48,980	-	-	145,744
Debt service:					
Principal	6,603	43,000	-	-	49,603
Interest	1,004	15,638	-	-	16,642
Total expenditures	323,274	161,129	146,323	397,154	1,027,880
Excess (deficiency) of revenues over (under) expenditures	13,368	(33,398)	23,418	(262,987)	(259,599)
Other Financing Sources (Uses)					
Proceeds from the issuance of debt	50,000	-	-	-	50,000
Operating transfers out	(70,000)	-	-	-	(70,000)
Operating transfers in	-	20,000	-	50,000	70,000
Total other financing sources (uses)	(20,000)	20,000	-	50,000	50,000
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(6,632)	(13,398)	23,418	(212,987)	(209,599)
Fund Balance - Beginning of Year	141,361	37,091	75,266	279,080	532,798
Fund Balance - End of Year	\$ 134,729	\$ 23,693	\$ 98,684	\$ 66,093	\$ 323,199

See accompanying notes to financial statements.

**TOWNSHIP OF BUTMAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2006**

Net Change in Fund Balance - Total Governmental Funds (per Statement of Revenues, Expenditures, and Changes in Fund Balance - Page 11)	\$ (209,599)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives	145,744
Depreciation expense, recorded in the Statement of Activities but not in the funds	(77,763)
Governmental funds do not report long-term debt; therefore, debt service payments are recorded as an expenditure. However, in the government-wide statements, long-term debt is recorded and debt service payments are applied against the outstanding balances	(49,201)
Proceeds from the issuance of debt is recorded as revenue in the fund financial statements, but recorded as long-term debt in the government-wide statements	50,000
Change in Net Assets - Governmental Activities (Per Statement of Activities - Page 8)	\$ (140,819)

See accompanying notes to financial statements.

**TOWNSHIP OF BUTMAN
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUND
JUNE 30, 2006**

Assets	
Current Assets:	
Cash	\$ 317,421
Accounts receivable	13,965
	<hr/>
Total current assets	331,386
Non-Current Assets:	
Capital assets, net of accumulated depreciaton of \$6,848,429	1,101,404
	<hr/>
Total assets	1,432,790
Liabilities	
Current Liabilities:	
Accounts payable	29,886
Accrued liabilities	10,580
	<hr/>
Total current liabilities	40,466
	<hr/>
Net Assets	
Invested in capital assets	1,101,404
Unrestricted	290,920
	<hr/>
Total net assets	\$ 1,392,324
	<hr/>

See accompanying notes to financial statements.

**TOWNSHIP OF BUTMAN
STATEMENT OF CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2006**

Operating revenues	
Permits	\$ 1,300
Service Charges	561,862
Miscellaneous	3,633
	<hr/>
Total operating revenue	566,795
Operating expenses	
Wages and benefits	15,369
Contractual services	308,508
Insurance	15,810
Utilities	8,647
Administration fee	8,195
Postage, printing and publishing	900
Equipment, supplies, and maintenance	10,654
Depreciation	70,819
Miscellaneous	3,419
	<hr/>
Total operating expenses	442,321
	<hr/>
Operating income	124,474
Nonoperating revenue (expense)	
Interest Income	7,125
Interest Expense	(28)
	<hr/>
Total nonoperating income	7,097
	<hr/>
Change in net assets	131,571
Net Assets - Beginning of Year	1,260,753
	<hr/>
Net Assets - End of Year	<u><u>\$ 1,392,324</u></u>

See accompanying notes to financial statements

**TOWNSHIP OF BUTMAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2006**

Cash flows from operating activities:

Cash received from customers	\$ 566,669
Cash payments to suppliers for goods and services	(328,618)
Cash payments to employees for services	(15,370)
	<hr/>
Net cash provided by operating activities	222,681

Cash flows from capital and related financing activities:

Purchase of capital assets	(117,376)
Principal paid on long-term debt	(1,195)
Interest paid on long-term debt	(28)
	<hr/>
Net cash used in capital and related financing activities	(118,599)

Cash flows from investing activities:

Interest earnings	7,126
	<hr/>
Net increase in cash and cash equivalents	111,208
Cash and cash equivalents - Beginning of year	206,213
	<hr/>
Cash and cash equivalents - End of year	\$ 317,421
	<hr/> <hr/>

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 124,474
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation Expense	70,819
Decrease in accounts receivables	126
Increase in accounts payable and accrued liabilities	27,262
	<hr/>
Net cash provided by operating activities	\$ 222,681
	<hr/> <hr/>

See accompanying notes to financial statements

TOWNSHIP OF BUTMAN
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2006

	Assets	
Cash		\$ 1,620
		<u> </u>
	Liabilities	
Due to other governmental units or individuals		\$ 1,620
		<u> </u>

See accompanying notes to financial statements.

**TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006**

NOTE 1: ENTITY

Butman Township, Gladwin County, Michigan, was organized prior to 1900 and covers an area of approximately 36 square miles. The Township operates under an elected five-member Board of Trustees and also provides service to its residents in areas including public safety, highways and streets, sanitation, fire protection, and human services.

The Township, for financial reporting purposes, management has considered all potential component units. The decision to conclude a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Butman Township are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations including required disclosures of the Township's financial activities for the year.

The accounting policies of Butman Township conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Township as a whole, excluding fiduciary activities such as tax collection activities.

Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Township general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not classified as program revenues are reported as general revenues.

TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION
(CONTINUED)**

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Township reports the following major governmental funds:

General Fund – This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state grants, interest, and other intergovernmental revenues.

Fire Fund – This fund is used to account for the financial activities of the fire department. Revenues are derived primarily from property taxes collected for fire protection services.

Garbage Fund – This fund is used to account for all financial transactions related to the Trash Collection service provided by the Township. Revenues are derived from property tax assessments.

Roads Fund – This fund is used to account for all financial transactions related to the special assessment collections and general fund contributions used for road improvements within the Township.

Proprietary Fund

The Township reports the following major proprietary fund:

Sewer Fund – This fund is used to account for all financial transactions related to the Township's sewer system.

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FUND TYPES AND MAJOR FUNDS

Fiduciary Fund

Fiduciary funds are used to account for assets held by the Township as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Township maintains a tax collection fund in this category.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Township does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Township departments. Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the fiscal year.

**TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Governmental Fund Financial Statements (Continued)

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

PROPERTY TAXES

The Township bills and collects its own taxes and taxes for the County of Gladwin, Gladwin Public Schools, the Gladwin-Clare Intermediate School District and Mid-Michigan Community College. Property taxes are levied on December 1 and are payable through February 14. Amounts collected after the due date are assessed interest and/or penalty. Delinquent real property tax rolls are turned over to the County in mid-March. A county revolving fund normally pays the balance of the Township's real property tax levy by June 30. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2005, are recorded as revenue in the current year. The entire Township real property tax levied on December 1, 2005 is recognized as revenue for the year ended June 30, 2006.

The tax rates assessed for the year ending June 30, 2006 are as follows:

Township operating	0.9756 per \$1,000
Fire Protection	0.9461 per \$1,000

The taxable value of all properties on the certified roll was \$116,856,451. This is the valuation upon which the levy for the 2005 tax year was based.

Proprietary Fund Financial Statements

Operating income reported in proprietary fund financial includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements. The proprietary fund financial statements report using the full accrual method of accounting.

**TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND DISCOUNTS/PREMIUMS

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

CAPITAL ASSETS AND DEPRECIATION

The Township's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Proprietary capital assets are also reported in the respective fund financial statements. Donated assets are stated at fair value on the date donated. The Township generally capitalizes assets with historical cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations. Land and construction in progress are not depreciated.

The following ranges are proposed as guidelines in estimating useful lives for asset reporting:

Building and improvements	30 years
Land improvements	10 years
Machinery & equipment	10 years
Vehicles	10 years
Utility Plant and components	7 – 30 years
Furniture and office equipment	7 years

With respect to asset improvements, costs over \$1,000 should be capitalized if:

1. The estimated life of the asset is extended by more than 25%, or
2. The cost results in an increase in the capacity of the asset, or
3. The efficiency of the asset is increased by more than 10%, or
4. Significantly changes the character of the asset, or
5. In the case of streets and roads, if the work done impacts the "base" structure.
6. Otherwise, the cost should be expensed as repair and maintenance.

**TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEPOSITS AND INVESTMENTS

The Township's cash and cash equivalents are considered cash if they are easily converted to cash or have a maturity date of 90 days or less.

State statutes authorize the Township to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union administration, respectively. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township's investments are in accordance with statutory authority.

USE OF ESTIMATES

The process of preparing general purpose financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

BUDGETS AND BUDGETARY POLICIES

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue and capital projects funds. All annual appropriations lapse at fiscal year end. The Township does not maintain a formalized encumbrance accounting system.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Chief Administrative Officer submits a proposed budget to the Township Board at the April Board meeting for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth in the combined statement of revenues, expenditures and changes in Fund balance – budget and actual – general, special revenue and capital projects funds.
2. A public hearing is conducted in May to obtain citizens' comments.

**TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY POLICIES (CONTINUED)

3. Prior to July 1, the budget is legally adopted by Township Board resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, or in excess of the amount appropriated. Any expenditure in violation of the budgeting act are disclosed as unfavorable variances on the combined statement of revenues, expenditures and changes in fund balances – budget and actual (GAAP basis) – general, special revenue and capital projects funds.
4. Formal budgetary integration is employed as a management control device during the year for the general fund.

NOTE 3: CASH AND CASH EQUIVALENTS

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds and investment pools composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township has designated one bank for the deposit of its funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 is in compliance with statutory authority.

The Township uses a common bank account to pool its cash funds. The various fund's equity at June 30, 2006 is as follows:

	<u>Common Checking</u>
General Fund	\$ 117,608
Fire Fund	28,015
Garbage Fund	110,961
Road Fund	66,094
Total	<u>\$ 322,678</u>

**TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006**

NOTE 3: CASH AND CASH EQUIVALENTS

At June 30, 2006, the deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Cash and equivalents	\$ 324,647	\$ 317,421	\$ 1,620	\$ 643,688

The breakdown of cash and equivalents for the Township is as follows:

	<u>Primary Government</u>
Bank deposits - checking accounts	\$ 643,238
Petty cash	450
	<u>\$ 643,688</u>

Deposits

The bank balance of the Township's deposits is \$664,776, of which \$100,000 is covered by federal depository insurance and \$554,776 is uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates the financial institution with which it deposits Township funds and assesses the level of risk. Only those institutions with an acceptable estimated risk level are used as depositories.

TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

NOTE 4: CAPITAL ASSETS

Capital asset activity of the Township's governmental and business-type activities was as follows:

	Balance July 1, 2005	Additions	Disposals	Balance June 30, 2006
Governmental Activities:				
Capital assets not being depreciated - land	\$ 223,898	\$ -	\$ -	\$ 223,898
Capital assets being depreciated:				
Buildings and grounds	407,000	75,736	-	482,736
Vehicles	298,091	21,069	-	319,160
Machinery and equipment	331,729	48,939	-	380,668
Subtotal	1,036,820	145,744	-	1,182,564
Accumulated depreciation:				
Buildings and grounds	171,632	28,323	-	199,955
Vehicles	106,511	22,231	-	128,742
Machinery and equipment	151,662	27,209	-	178,871
Subtotal	429,805	77,763	-	507,568
Net capital assets being depreciated	607,015	67,981	-	674,996
Net capital assets	<u>\$ 830,913</u>	<u>\$ 67,981</u>	<u>\$ -</u>	<u>\$ 898,894</u>
	Balance July 1, 2005	Additions	Disposals	Balance June 30, 2006
Business-type Activities:				
Capital assets not being depreciated - land	\$ 229,428	\$ -	\$ -	\$ 229,428
Capital assets being depreciated:				
Buildings and grounds	237,554	2,928	-	240,482
Vehicles	275,151	-	-	275,151
Utility plant	7,005,087	101,034	-	7,106,121
Machinery and equipment	85,236	13,414	-	98,650
Subtotal	7,603,028	117,376	-	7,720,404
Accumulated depreciation:				
Buildings and grounds	118,102	7,855	-	125,957
Vehicles	265,858	3,824	-	269,682
Utility plant	6,323,631	54,280	-	6,377,911
Machinery and equipment	70,018	4,860	-	74,878
Subtotal	6,777,609	70,819	-	6,848,428
Net capital assets being depreciated	825,419	46,557	-	871,976
Net capital assets	<u>\$ 1,054,847</u>	<u>\$ 46,557</u>	<u>\$ -</u>	<u>\$ 1,101,404</u>

**TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006**

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities		Business-Type Activities
General Government	\$ 20,056	Sewer Utilities <u>\$ 70,819</u>
Public safety	<u>57,707</u>	
Total	<u>\$ 77,763</u>	

NOTE 5: LONG-TERM DEBT

A summary of changes in long-term debt is as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Installment purchase contracts:				
Fire department building, payable in annual installments ranging from \$14,000 to \$22,000, plus interest at 3.20% through May 2014	169,000	(15,000)	154,000	16,000
Fire department vehicle, payable in annual installments ranging from \$19,000 to \$28,000, plus interest at 3.20% through May 2014	210,000	(19,000)	191,000	20,000
Fire department equipment, payable in annual installments ranging from \$9,000 to \$15,000, plus interest at 3.20% through May 2014	107,000	(9,000)	98,000	10,000
Township hall addition, payable in monthly payments of \$373.36, including interest at 4.14% through April 2011	-	49,411	49,411	2,482
Capital leases:				
Capital leases for phone system, accounting software, and phone system, payable in monthly installments ranging from \$189 to \$376 including interest at 4.00% to 7.00%, through May 2006	7,209	(7,209)	-	-
Total governmental activities	<u>\$ 493,209</u>	<u>\$ (798)</u>	<u>\$ 492,411</u>	<u>\$ 48,482</u>

TOWNSHIP OF BUTMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

NOTE 5: LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Governmental Activities:		
2007	\$ 48,482	\$ 16,476
2008	51,587	14,867
2009	53,696	13,156
2010	56,810	11,377
2011	94,837	10,276
2012 - 2016	187,000	12,352
	<u>\$ 492,412</u>	<u>\$ 78,504</u>

NOTE 6: SEGMENT INFORMATION FOR ENTERPRISE FUND

The Sewer Fund was established to account for the operation the Township's waste disposal system. The following represents the segment information for the Sewer Fund:

Operating revenues	\$ 566,795
Depreciation	70,819
Operating income	124,474
Net income	131,571
Capital asset additions	117,376
Capital asset disposals	-
Net working capital	290,920
Total assets	1,432,790
Total equity	1,392,324

NOTE 7: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters.

The Township carries commercial insurance for risks to cover these losses. The Township also continues to carry commercial insurance for other risks of loss, including life insurance for elected officials.

TOWNSHIP OF BUTMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Amended Budget	Actual	Variance From Final Amended Budget
Revenues				
Taxes and assessments	\$ 143,965	\$ 143,965	\$ 150,990	\$ 7,025
State Shared Revenue	120,000	120,000	137,874	17,874
Charges for services	14,465	14,465	20,292	5,827
Interest	1,200	1,200	8,456	7,256
Other revenue	14,600	14,600	19,030	4,430
Total revenues	294,230	294,230	336,642	42,412
Expenditures				
General government				
Township Board				
Wages and Benefits	14,380	14,380	15,079	(699)
Contractual Services	66,000	66,000	50,176	15,824
Insurance	11,000	11,000	10,580	420
Utilities	10,500	10,500	9,623	877
Postage, Printing and Publishing	6,500	6,500	5,948	552
Dues and Education	2,500	2,500	2,518	(18)
Transportation and Meals	200	200	45	155
Equipment, Supplies and Maintenance	16,500	16,500	10,340	6,160
Miscellaneous	900	900	179	721
Total Township Board	128,480	128,480	104,488	23,992
Supervisor				
Wages and Benefits	7,500	7,500	7,292	208
Dues and Education	200	200	298	(98)
Miscellaneous	50	50	-	50
Total Supervisor	7,750	7,750	7,590	160
Elections				
Wages and Benefits	3,500	3,500	863	2,637
Postage, Printing and Publishing	1,100	1,100	-	1,100
Transportation and Meals	250	250	-	250
Equipment, Supplies and Maintenance	1,200	1,200	506	694
Total Elections	6,050	6,050	1,369	4,681
Clerk				
Wages and Benefits	23,100	23,100	22,317	783
Dues and Education	350	350	-	350
Transportation and Meals	50	50	-	50
Miscellaneous	100	100	-	100
Total Clerk	23,600	23,600	22,317	1,283

TOWNSHIP OF BUTMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Amended Budget	Actual	Variance From Final Amended Budget
Board of Review				
Wages and Benefits	450	450	600	(150)
Postage, Printing and Publishing	150	150	-	150
Refunds and Rebates	200	200	-	200
Total Board of Review	800	800	600	200
Treasurer				
Wages and Benefits	23,600	23,600	22,615	985
Miscellaneous	350	350	60	290
Total Treasurer	23,950	23,950	22,675	1,275
Building and Grounds				
Wages and Benefits	2,300	2,300	4,968	(2,668)
Contractual Services	9,000	9,000	4,355	4,645
Equipment, Supplies and Maintenance	2,600	2,600	3,676	(1,076)
Miscellaneous	200	200	-	200
Total Building and Grounds	14,100	14,100	12,999	1,101
Cemetery				
Wages and Benefits	1,800	1,800	2,118	(318)
Contractual Services	18,200	18,200	856	17,344
Dues and Education	-	-	110	(110)
Equipment, Supplies and Maintenance	1,300	1,300	2,668	(1,368)
Miscellaneous	200	200	-	200
Total Cemetery	21,500	21,500	5,752	15,748
Total general government	226,230	226,230	177,790	48,440
Public works				
Roads, Drains, Lighting	43,150	43,150	37,394	5,756
Recreation and culture				
Boat Launch	3,000	3,000	3,719	(719)
Capital outlay	92,250	92,250	96,764	(4,514)
Debt service	5,600	5,600	7,607	(2,007)
Total expenditures	370,230	370,230	323,274	46,956

TOWNSHIP OF BUTMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Amended Budget	Actual	Variance From Final Amended Budget
Excess (deficiency) of revenues over (under) expenditures	(76,000)	(76,000)	13,368	89,368
Other financing sources (uses)				
Proceeds from the issuance of debt	-	-	50,000	50,000
Operating transfers out	(70,000)	(70,000)	(70,000)	-
Total other financing uses	(70,000)	(70,000)	(20,000)	50,000
Deficiency of revenues under expenditures and other uses:	(146,000)	(146,000)	(6,632)	139,368
Fund Balance Beginning of Year	141,361	141,361	141,361	-
Fund Balance End of Year	<u>\$ (4,639)</u>	<u>\$ (4,639)</u>	<u>\$ 134,729</u>	<u>\$ 139,368</u>

TOWNSHIP OF BUTMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Amended Budget	Actual	Variance From Final Amended Budget
Revenues:				
Property Taxes	\$ 106,000	\$ 106,000	\$ 110,301	\$ 4,301
Interest	500	500	2,446	1,946
Other revenue	6,700	6,700	14,984	8,284
Total revenues	113,200	113,200	127,731	14,531
Expenditures				
Public Safety:				
Wages	700	700	111	589
Equipment and supplies	16,600	16,600	26,863	(10,263)
Vehicle fuel and maintenance	40,000	40,000	5,983	34,017
Contractual services	-	-	2,067	(2,067)
Insurance	10,700	10,700	10,985	(285)
Utilities	5,500	5,500	6,110	(610)
Miscellaneous	3,670	3,670	1,392	2,278
Total public safety	77,170	77,170	53,511	23,659
Capital outlay	34,530	34,530	48,980	(14,450)
Debt service:				
Loan principal	43,000	43,000	43,000	-
Loan interest	15,000	15,000	15,638	(638)
Total debt service	58,000	58,000	58,638	(638)
Total expenditures	169,700	169,700	161,129	8,571
Excess (deficiency) of revenues over (under) expenditures	(56,500)	(56,500)	(33,398)	23,102
Other financing sources:				
Transfers In	20,000	20,000	20,000	-
Excess (deficiency) of revenues and other sources over (under) expenditures	(36,500)	(36,500)	(13,398)	23,102
Fund Balance - Beginning of Year	37,091	37,091	37,091	-
Fund Balance - End of Year	\$ 591	\$ 591	\$ 23,693	\$ 23,102

TOWNSHIP OF BUTMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GARBAGE FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Amended Budget	Actual	Variance From Final Amended Budget
Revenues				
Taxes and assessments	\$ 160,000	\$ 160,000	\$ 165,998	\$ 5,998
Interest	(500)	(500)	3,144	2,644
Other revenue	-	-	599	599
Total revenues	160,500	160,500	169,741	9,241
Expenditures				
Public Works				
Contractual services	144,000	144,000	145,059	(1,059)
Administration fees	1,200	1,200	1,200	-
Miscellaneous	91,300	91,300	64	91,236
Total public works	236,500	236,500	146,323	90,177
Excess (deficiency) of revenues over (under) expenditures	(76,000)	(76,000)	23,418	99,418
Fund Balance - Beginning of Year	75,266	75,266	75,266	-
Fund Balance - End of Year	\$ (734)	\$ (734)	\$ 98,684	\$ 99,418

TOWNSHIP OF BUTMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROADS FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Amended Budget	Actual	Variance From Final Amended Budget
Revenue				
Property Taxes	\$ 145,000	\$ 145,000	\$ 128,157	\$ (16,843)
Interest	1,100	1,100	6,010	4,910
Total revenues	146,100	146,100	134,167	(11,933)
Expenditures				
Public Works:				
Contractual services	300,000	300,000	395,590	(95,590)
Administration fee	1,300	1,300	1,500	(200)
Miscellaneous	173,800	173,800	64	173,736
Total expenditures	475,100	475,100	397,154	77,946
Deficiency of revenues under expenditures	(329,000)	(329,000)	(262,987)	66,013
Other Financing Sources				
Transfer in	50,000	50,000	50,000	-
Deficiency of revenues and other sources under expenditures	(279,000)	(279,000)	(212,987)	66,013
Fund Balance - Beginning of Year	279,080	279,080	279,080	-
Fund Balance - End of Year	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 66,093</u>	<u>\$ 66,013</u>